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DRIP MORE LLC

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re

DRIP MORE LLC,

Debtor and Debtor-in-Possession.

) Case No. 8:24-bk-11703-SC

) Chapter 11

) **EMERGENCY MOTION FOR**
) **AUTHORITY TO USE CASH**
) **COLLATERAL ON AN INTERIM**
) **BASIS; MEMORANDUM OF POINTS**
) **AND AUTHORITIES; DECLARATION**
) **OF BRIAN BEREBER IN SUPPORT**
) **THEREOF**

) Date: TBD

) Time: TBD

) Place: Courtroom 5C
) 411 West Fourth Street
) Santa Ana, CA 92701

TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES
BANKRUPTCY JUDGE; SECURED CREDITORS; THE UNITED STATES
TRUSTEE; CREDITORS AND ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE that, DRIP MORE LLC, the “Debtor” and “Debtor-in-Possession” in the above-stated case, shall and does hereby move the Court for an order approving the use of cash collateral, pursuant to 11 U.S.C. §363, as follows.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

DRIP MORE LLC, the “Debtor” and “Debtor-in-Possession” (“DIP”) herein, filed its Chapter 11 case on July 5, 2024.

II. REQUEST FOR PRELIMINARY HEARING AND INTERIM ORDER

Pursuant to Rule 4001(b)(2):

[T]he court may conduct a preliminary hearing before such 14-day period expires, but the court may authorize the use of only that amount of cash collateral as is necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

Here, the Debtor requests that the Court treat the hearing as a preliminary hearing and enter an interim order approving necessary expenses to avoid immediate and irreparable harm to the estate pending a final hearing.

Within the first 14-days of this case (July 5, 2024 through July 19, 2024 - business days), the Debtor has the following necessary expenses to avoid immediate and irreparable harm:

Expenses	Amount
Materials (cost of goods sold)	\$96,690
Employee Payroll (excluding insiders)	\$20,561
Payroll Taxes	\$2,848
Property Insurance	\$835
Shipping/Warehouse Supplies	\$1,008
Manufacturing Supplies	\$437
Box Truck Rental	\$900
Storage	\$1,828
Electrical	\$876
Waste Disposal	\$5,055
Water	\$525
Fuel for Box Truck	\$750
Licenses/Permits	\$5,000
Shipping	\$8,680
Total:	\$145,993

The Debtor manufactures and distributes vape tobacco flavor products. This is a relatively large operation as it has 20 full-time non-insider employees, consisting of

1 management, manufacturing, sales, warehouse/assembly, and shipping. The expenses
2 listed in the chart above will ensure that the Debtor's operation will allow the business to
3 run smoothly and not be affected by the filing. With this kind of operation, the whole is
4 greater than the sum of its parts as they are interdependent. If any one component is
5 affected, it will have significant consequences for the Debtor's ability to manufacture and
6 sell its products and generate revenue for the creditors of the estate. As a result, the Debtor
7 could lose customers and damage its reputation in the industry. Therefore, unless the
8 Debtor is able to pay the expenses set forth in the chart, it will cause immediate and
9 irreparable harm to the business.

10 The Debtor cannot operate without its employees as they make the products,
11 assemble them, package/ship them, sell, etc. *The Debtor's employees are scheduled to be*
12 *paid on July 15, 2024 (15th and last day of each month), with payroll to be initiated by*
13 *2:00 p.m. on July 12, 2024.* Some of those employees have families with their own bills
14 and household expenses. If the Debtor is unable to pay payroll for several weeks, some of
15 the employees might quit to find other employment or become disgruntled, which may
16 affect their performance. It is critical for the survival of the Debtor that it keeps its
17 employees happy and pays its employees without any interruptions.

18 Similarly, the Debtor must be able to pay the taxes associated with payroll to avoid
19 becoming delinquent with the Employment Development Department (the "EDD") and
20 incurring additional administrative expenses.

21 The Debtor must have access to funds to buy the materials to make the products as
22 it cannot generate revenue unless it has the products available to sell to its customers. This
23 will allow the Debtor to adequately manufacture its products. Along those lines, the
24 Debtor has to purchase supplies associated with the manufacturing, which allows the
25 Debtor to be able to make its products and to keep its employees safe. The Debtor must
26 also pay for waste disposal from the manufacturing of the products, otherwise the Debtor
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1 would have to incur the expenses with storing and/or disposing of the waste. This also
2 ensures that the Debtor will not violate any state/federal regulations as to waste disposal.

3 The Debtor must be able to pay its property insurance premium timely or risk
4 exposing the estate to postpetition liability as the policy could be suspended or cancelled.

5 The Debtor has expenses associated with the warehouse supplies, including
6 assembly and storage. The Debtor must have the ability to package its product in order to
7 make sure it is available for sale and distribution. Similarly, the Debtor must have the
8 ability to pay for storage to adequately store and protect its product. If the product gets
9 damaged or stolen, that will severely harm the Debtor.

10 The Debtor must pay for shipping and the associated expenses, such as shipping
11 supplies, box truck rental, and fuel. Again, if the Debtor is unable to ship or move its
12 product, it will not be able to generate revenue and will severely harm its reputation.

13 The Debtor must pay its utilities, such as electricity and water, or risk them being
14 shut off for nonpayment.

15 Lastly, the Debtor must be able to pay all licenses and permits to stay in compliance
16 with industry regulations.

17 18 **III. STATEMENT OF RELIEF SOUGHT**

19 Notwithstanding the previous section, the Debtor respectfully requests an order of
20 this Court authorizing it to use cash collateral for the period July 5, 2024 through October
21 31, 2024, on the terms and conditions set forth herein, and as set forth in the projected
22 income and expense statement (the "Budget"), which is attached hereto as **Exhibit "A"**
23 and incorporated herein.

24 In order to continue the operation of the business, the Debtor must be authorized to
25 use cash collateral to pay ordinary and necessary operating expenses pursuant to the
26 Budget.

27 If the Debtor's ability to use cash collateral is interrupted, the Debtor will be unable
28

1 to pay the necessary and ordinary expenses required to allow it to keep operating, such as
2 payroll, rent, insurance, inventory, utilities, and other industry specific expenses. *In sum,*
3 *the Debtor's business, and the Debtor's prospects for a successful reorganization, will end.*

4 As part as the proposed adequate protection, the Debtor proposes monthly adequate
5 protection payments to following purported secured creditors:

- 6 - Harper Advance, LLC (“Harper”): \$35,000 per month, with payments starting on
7 July 29, 2024, and on the 29th of each month thereafter, through October 31, 2024.
- 8 - Employment Development Department (“EDD”): \$2,095 per month, with payments
9 starting on July 29, 2024, and on the 29th of each month thereafter, through October
10 31, 2024.

11 Attached as **Exhibit “J”** and incorporated herein is the required *Statement*
12 *Regarding Cash Collateral or Debtor in Possession Financing [FRBP 4001; LBR 4001-*
13 *2].*

15 **IV. STATEMENT OF FACTS**

16 *A. Events leading to the filing.*

17 The Debtor was formed in August 2016 as a California limited liability corporation.
18 Brian Bereber is the chief executive officer and sole managing member.

19 In or around 2015, Brian began experimenting with his own e-liquid flavor
20 combinations for vaping. He meticulously mixed vegetable glycerin and nicotine into his
21 creations, refining and perfecting his recipes. Over time, he developed hundreds of
22 revisions for personal use.

23 Brian decided to create a product. He commissioned artwork from a talented
24 graphic designer and developed packaging, ultimately choosing a chipboard display box
25 that concealed a PET bottle with a child-resistant cap. He selected his five favorite flavors
26 and named the brand Candy King. With limited funds, Brian approached a licensed
27 manufacturer in Redlands, CA, to bring his product to life.

1 Once the first batch was ready for distribution, Brian tirelessly pitched the products
2 to influential distributors, delivering samples and winning them over with quality. Orders
3 began stacking up, prompting Brian to create the Debtor. Brian licensed the name, flavor
4 recipes, packaging, and mixing process he had developed to the Debtor.

5 Orders grew quickly, and by March 2017, the Debtor acquired its own warehouse
6 and hired its first two employees, who are still with the company today.

7 In August 2017, Drip More LP was created as a pass-through company to facilitate
8 hiring more employees, including out-of-state traveling sales representatives. The
9 company needed reliable transportation for their door-to-door sales reps traveling across
10 the United States. Drip More LLC, a Montana entity, was created to hold the title and
11 registration of six fleet cargo vans used by the sales employees.

12 By August 2018, the Debtor became dissatisfied with the quality and production
13 rate of the manufacturer. The Debtor decided to invest in a manufacturing license,
14 machinery, additional warehouse space, and expanded staff to produce its own products.
15 The Debtor grew to employ about 80 people at its peak, including administrative, sales,
16 marketing, distribution, and production departments. The Debtor currently sells over
17 100,000 bottles of e-liquid per year to hundreds of licensed resellers across the US and
18 internationally.

19 To diversify, many companies in the electronic cigarette industry sought Brian's
20 help to develop new product types. 88 Cloud Consulting LLC was established to manage
21 incoming clients wanting to develop their own product concepts and flavor recipes.

22 In 2019, Brian created Cali Co Pack LLC, seeking to secure customers for whom
23 this entity could produce and package similar e-liquid bottles for other brands.

24 After successfully navigating the implementation of the U.S. Food and Drug
25 Administration's ("FDA") Premarket Tobacco Product Application ("PMTA") process in
26 2019, the Debtor grew in 2020, achieving a gross revenue of \$25.1 million.

1 As the Debtor's customers are distributors, the Debtor does not sell directly to end-
2 use consumers and therefore its profit margin is the lowest in the supply chain. To address
3 this, Brian decided to open brick-and-mortar vape retail stores in Arizona to promote the
4 Debtor's products at a higher profit margin. The plan was to open seven locations quickly.
5 A bookkeeper posing as a CPA advised opening each location under its own entity and as a
6 partnership, resulting in the creation of several LPs throughout 2019: '88 Vape LP, '88
7 Vape #2 LP, '88 Vape #3 LP, '88 Smoke & Vape LP, '88 Smoke & Vape #2 LP, '88 Smoke
8 & Vape #3 LP, '88 Smoke & Vape #4 LP. Unfortunately, this disorganized setup did not
9 work as planned. Only four stores opened, and the rest became burdensome lease
10 obligations. The retail store plan suffered due to in-person COVID-19 pandemic related -
11 closures and lack of construction development. All locations ultimately closed at the end
12 of 2023 and beginning of 2024, several of the landlords sued for possession.

13 Despite an influx of sales in 2020, the Debtor's transition to 2021 was challenging.
14 The Debtor had expanded into a new product line, which initially significantly contributed
15 to sales. The Debtor began licensing Brian's name, flavor recipes, and packaging designs
16 for a line of disposable vape devices manufactured in China and imported to the US for
17 sale. However, a large batch of defective units and the company had to refund customers
18 and dispose of the defective inventory, severely impacting revenue. Additionally, the
19 Debtor's main business of e-liquid sales was hit hard as procurement of raw materials
20 became incredibly expensive and often delayed.

21 Coupled with COVID-19 pandemic related-slowdowns in logistics and supply chain
22 management, these issues led to significant financial losses and made maintaining growth
23 impossible.

24 In 2021, the Debtor's revenue dipped to \$22.6 million. Brian decided to diversify
25 further to mitigate risks associated with potential regulatory changes in the e-liquid market.
26 Deadstock LLC was created to help the Debtor enter the tech industry. The Debtor
27 invested in developing a platform to match buyers with sellers and verify product
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1 legitimacy before shipping. On-staff software engineers and mobile application
2 developers created a custom platform. FLOM LLC was created in July of 2023 as a pass-
3 through company to facilitate Deadstock LLC's work.

4 Things improved in 2022, with the Debtor reaching a gross revenue of \$23.6
5 million. However, the new projects were costly and often delayed due to financial
6 constraints, as e-liquid product sales declined. Regulatory shifts in the new industry added
7 further challenges, leading the Debtor to take unfavorable loans and enter into merchant
8 credit agreements (MCAs) to manage cash flow. These MCAs made daily withdrawals
9 from the Debtor's business account, exacerbating cash flow issues. The company also
10 spent significant amounts on legal and compliance costs due to ever-changing FDA
11 regulations.

12 In April 2024, the largest MCA, Harper Advance, LLC sued the Debtor, several of
13 the related entities and Brian, for breach of contract and related causes of action in New
14 York Supreme Court. The parties had attempted to negotiate in good faith for several
15 months and were ultimately unable to come to terms.

16 In the past year, sales further dipped due to economic struggles and industry
17 slowdowns. Combined with payments on the predatory loans, the Debtor's gross revenue
18 dipped down to \$10.2 million in 2023.

19 However, quick thinking and a dedicated staff allowed the company to maintain a
20 solid reputation and keep sales orders coming in. The Debtor now employs 20 people,
21 65% of whom have been with the company for over five years. These employees work
22 from a sales office and warehouse located in Redlands, CA, where inventory is
23 manufactured, sold, and shipped.

24 The Debtor's sales team works hard to keep current customers happy, procure new
25 customers through cold calls and walk-ins, and expand market coverage. Product
26 marketing through tradeshow and adult entertainment advertising is key to attracting new
27 customers and retaining existing ones. By keeping overheads low and focusing on
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customer satisfaction, quality, and marketing, the company has maintained consistent sales and plans to grow its customer base once again.

Prepetition, Drip More LLC Montana, Drip More LP, 88 Cloud Consulting LLC, Deadstock LLC, '88 Vape LP, '88 Vape #2 LP, '88 Vape #3 LP, '88 Smoke & Vape LP, '88 Smoke & Vape #2 LP, '88 Smoke & Vape #3 LP, '88 Smoke & Vape #4 LP, FLOM LLC, and Cali Co Pack LLC sold their assets and assigned their debts to the Debtor herein. The goal is to now take all the ideas and business models of these entities and operate all under the Debtor.

This case was filed so that the Debtor can reorganize its financial affairs and maximize the value of his assets for the benefit of the estate.

B. The purported secured creditors and obligations.

The Debtor believes that the following purported creditors have liens on cash collateral:

	Creditor	Earliest Lien date	Claim Amount	Lien
1	Copperwood Capital LLC/ LIQUIDUS FUNDING LLC ("Copperwood")	2/13/2020 (UCC)	\$0 (paid in full prepetition)	"All accounts, all accounts receivables (past and future) chattel paper, cash deposit accounts, documents, equipment, general intangibles, instruments, inventory, or investment property, as those terms are defined in Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by debtor; all proceeds, as that term is defined in Article 9 of the UCC (the "Collateral")."
2	Unknown (filed by C T Corporation System)	4/30/2020 (UCC)	\$0	"All personal property of every kind and nature, including, without limitation, all accounts, contract rights, rights to the payment of money, insurance claims and proceeds, chattel paper, electronic chattel paper,

1				documents, instruments, securities and other investment property, deposit accounts, supporting obligations of every nature, and general intangibles, including without limitation, customer lists, and all books and records related thereto, and all recorded data of any kind and any nature, regardless of the medium of recording; together with, to the extend not listed above as the original collateral, all substitutions and replacements for and products of any of the foregoing property, and together with proceeds of any and all of the foregoing property.”
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12	3	Harper Advance, LLC (“Harper”)	7/16/2020 (UCC)	\$9,432,349.16 (the cumulative amount from its four liens)
13				“Secured party has a security interest in all of the Debtor’s future receivables, inventory, equipment, goods, accounts, investment property, and other personal property and assets.”
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16	4	Harper (assignee from Funomate Technologies, 1/31/2024)	8/9/2022 (UCC)	See above
17				“Receivables- All Assets now owned or hereafter acquired and wherever located, including but not limited to, the following subcategories of assets: a. Accounts, including but not limited to, credit card receivables; b. Chattel Paper; c. Inventory; d. Equipment; e. Instruments, including but not limited to, Promissory Notes; f. Investment Property; g. Documents; h. Deposit Accounts; i. Letter of Credit Rights; j. General Intangibles; k. Supporting Obligations; and i. Letter of Credit Rights; j. General Intangibles; k. Supporting Obligations; and i. Proceeds and Products of the foregoing.”
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5	Harper	4/5/2023 (UCC)	See above	"All assets and accounts receivable of Drip More LP."
6	Harper	4/5/2023 (UCC)	See above	"All assets and accounts receivable of Drip More LLC."
7	Employment Development Department ("EDD")	11/27/2023 (Tax Lien)	\$8,380.26	"The amount of delinquency above set forth shall be a lien upon all real or personal property and rights to such property, including all after acquired property and rights to property belonging to the above named."
8	MODO LLC ("MODO")	1/22/2024 (UCC)	Unknown	"Secured party has a security interest in all of debtor's future receivables, inventory, equipment, goods, accounts, investment property, and other personal property and assets."

(Collectively, the "Purported Secured Creditors").

Attached as **Exhibit "B"** and incorporated herein is the UCC-1 Financing Statement ("UCC") filed by Copperwood on February 13, 2020.

Attached as **Exhibit "C"** and incorporated herein is the UCC filed by C T CORPORATION SYSTEM on behalf of an unknown party on April 30, 2020.

Attached as **Exhibit "D"** and incorporated herein is the UCC filed by Harper on July 16, 2020.

Attached as **Exhibit "E"** and incorporated herein is the UCC filed by Fundomate Technologies on August 9, 2022 and the assignment to Harper filed on January 31, 2024.

Attached as **Exhibit "F"** and incorporated herein is the UCC filed by Harper on April 5, 2023.

Attached as **Exhibit "G"** and incorporated herein is the UCC filed by Harper on April 5, 2023.

Attached as **Exhibit "H"** and incorporated herein is the tax lien filed by the EDD on November 27, 2023.

Attached as **Exhibit "I"** and incorporated herein is the UCC filed by MODO on January 22, 2024.

1 C. *Proposed use of cash collateral.*

2 The Debtor believes that the Purported Secured Creditors will take the position that
3 all tangible and intangible personal property of the Debtor (the “Cash Collateral”)
4 constitutes cash collateral within the meaning of §363(a) of the Bankruptcy Code. *The*
5 *Debtor is not aware of any other entity asserting an interest in the Cash Collateral.*

6 The Debtor proposes that it use the Cash Collateral to pay the allowed operating
7 expenses pursuant to the Budget from July 3, 2024 through October 31, 2024 (the “Interim
8 Period”). The Debtor believes that those expenses represent the expenditures to maintain
9 the business operations for the Interim Period.

10 Although the Budget represents the Debtor’s best estimate of the necessary
11 expenses associated with the operation of the Property during the Interim Period, they may
12 fluctuate due to circumstances out of the Debtor’s control, such as unanticipated expenses
13 related to restocking inventory, repairing or replacing equipment, hiring new employees, or
14 other emergency expenses. Therefore, the Debtor requests court authority to deviate from
15 the total operating expenses contained in the budget by no more than 15% and to deviate
16 by category (provided the Debtor does not pay any expenses outside any of the approved
17 categories) without the need for further Court order.

18 The Debtor will continue to be bound by the terms and conditions set forth in the
19 prepetition agreement except as specifically modified herein. This shall not constitute a
20 modification of the liens granted to the Purported Secured Creditors by the Debtor
21 pursuant to the various agreements between the parties and various perfection documents.

22 In order to continue the operation of the business, the Debtor must be authorized to
23 use cash collateral to pay the ordinary and necessary operating expenses. If the Debtor’s
24 ability to use cash collateral is interrupted, the Debtor will be unable to pay the necessary
25 and ordinary expenses required to allow it to keep operating, such as materials, payroll,
26 rent, insurance, inventory, utilities, and other industry specific expenses, i.e., the Debtor
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1 will fail, and its employees will lose their jobs. The Debtor's business, and the Debtor's
2 prospects for a successful reorganization, will end.

3
4 **V. DISCUSSION**

5 *A. The Court should authorize the Debtor's use of the Cash Collateral.*

6 As a general matter, a debtor-in-possession is permitted to use property of the estate
7 in the ordinary course of business without the need for notice or a hearing. 11 U.S.C.
8 Section 363(c)(1). However, a debtor's use of cash collateral is an exception to this
9 general rule. Section 363(c)(2) provides in pertinent part:

10 (2) The [debtor in possession] may not use, sell, or lease cash
11 collateral ... unless

12 (A) each entity that has an interest in
Such cash collateral consents; or

13 (B) the court, after notice and a hearing, authorizes such
14 use, sale or lease in accordance with the provisions of
this section.

15 11 U.S.C. Section 363(c)(2).

16 Bankruptcy courts have consistently held that it is appropriate for a Chapter 11
17 debtor to use a secured creditor's cash collateral for a reasonable period of time for the
18 purpose of maintaining and operating its property. *See Mbank Dallas, N.A. v. O'Connor*
19 *(In re O'Connor)*, 808 F.2d 1393, 1397 (10th Cir. 1987). In addition, where, as here, the
20 debtor is operating a business, it is extremely important that use of cash collateral be
21 allowed in order to facilitate the goal of reorganization: "the purpose of Chapter 11 is to
22 rehabilitate debtors and generally access to cash collateral is necessary to operate a
23 business." *In re Dynaco Corporation*, 162 B.R. 389, 394 (Bankr. D.N.H. 1993).

24 Here, the Debtor seeks to use Cash Collateral based on the attached Budget for the
25 next three months, i.e., the Interim Period. The Budget delineates the amount of Cash
26 Collateral needed for the Interim Period to maintain and operate the business. The ability
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1 for the Debtor to maintain and operate the business will significantly facilitate the intended
2 goal of this case to reorganize.

3 As set forth above, if the Debtor's access to the cash collateral is interrupted or
4 ceases, the consequences would be disastrous for the business and the estate. The Debtor
5 would be unable to operate and preserve the business. The employees would leave, the
6 Debtor would be unable to purchase inventory, and the business would shut down making
7 its value as a going concern zero.

8 As such, the Debtor has determined that it would be in the overwhelming best
9 interests of the estate and its creditors to use the cash collateral to continue to operate and
10 maintain its business.

11
12 *B. The Purported Secured Creditors' interests are adequately protected.*

13 Pursuant to §363(c)(2), the Court may authorize the debtor to use a secured
14 creditor's cash collateral if the Court determines that the secured creditor is adequately
15 protected. *Pistole v. Mellor (In re Mellor)*, 734 F.2d 1396, 1400 (9th Cir. 1984). *See also*
16 *O'Connor, supra*, 808 F.2d at 1398; *McCombs Properties VI, Ltd. v. First Texas Savings*
17 *Association (In re McCombs Properties VI, Ltd.)*, 88 B.R. 261, 265 (Bankr. C.D. Cal.
18 1988).

19 In ordinary circumstances, a secured creditor is to be protected against a decrease in
20 value which directly affects the secured creditor's interest in its collateral. *See United*
21 *Savings Association of Texas v. Timbers of Inwood Forest Associates, Ltd.*, 484 U.S. 365,
22 108 S.Ct. 626, 630, (1988); Section 506(a) of the Bankruptcy Code "limit[s] the secured
23 status of a creditor (i.e., the secured creditor's claim) to the lesser of the [allowed amount
24 of the] claim or the value of the collateral." *McCombs, supra*, 88 B.R. at 266.

25 As a general rule, a debtor may use cash collateral where such use would enhance
26 or preserve the value of the collateral. The Debtor intends to use the Cash Collateral to
27 operate and preserve the business as is set forth in the Budget attached as **Exhibit "A."**
28

1 The use of Cash Collateral is essential to continue the ordinary maintenance and operations
2 of the business. The uninterrupted use of Cash Collateral will allow the Debtor to continue
3 to generate revenue for the estate and its creditors. The Debtor believes that it has
4 significant value as a going concern rather than if it is forced to shut down and liquidate its
5 assets.

6 Therefore, the Debtor believes that the Purported Secured Creditors are adequately
7 protected by the continued and uninterrupted operation of the business. The Debtor's use
8 of Cash Collateral will enhance or preserve the value of the estate because the use of Cash
9 Collateral is essential to continue the ordinary maintenance and operation of the business.

10 The Debtor will also give to the Purported Secured Creditors a replacement lien to
11 the extent that the creditor's Cash Collateral is actually used. The Debtor will segregate in
12 its cash collateral DIP bank account all revenue exceeding the funds needed to pay the
13 expenses set forth in the Budget.

14 The Debtor also proposes monthly adequate protection payments to following
15 Purported Secured Creditors:

- 16 - Harper: \$35,000 per month, with the payments starting on July 29, 2024, and on the
17 29th of each month thereafter, through October 31, 2024.
- 18 - EDD: \$2,095 per month, with the payments starting on July 29, 2024, and on the
19 29th of each month thereafter, through October 31, 2024.

20 The Debtor believes that MODO will be fully unsecured based on the senior liens
21 and the value of the Debtor's assets, and therefore, will not receive adequate protections
22 payments. Nonetheless, the Debtor believes that MODO will be adequately protected by
23 the continued operation of the business.

24 Based on the foregoing, the Debtor believes that the Purported Secured Creditors
25 will be adequately protected.

1 C. *In determining adequate protection, the Court should promote*
2 *reorganization.*

3 In determining adequate protection, Courts have stressed the importance of
4 promoting a debtor's reorganization. In *In re O'Connor*, supra, the Tenth Circuit stated:

5 In this case, Debtors, in the midst of a Chapter 11 proceeding,
6 have proposed to deal with cash collateral for the purpose of
7 enhancing the prospects of reorganization. This quest is the
8 ultimate goal of Chapter 11. Hence, the Debtor's efforts are not
9 only to be encouraged, but also their efforts during the
10 administration of the proceeding are to be measured in light of
11 that quest. Because the ultimate benefit to be achieved by a
12 successful reorganization inures to all the creditors of the
estate, a fair opportunity must be given to the Debtors to
achieve that end. Thus, while interests of the secured creditor
whose property rights are of concern to the court, the interests
of all other creditors also have bearing upon the question of
whether use of cash collateral shall be permitted during the
early stages of administration.

13 *In re O'Connor*, 808 F.2d at 1937.

14 In order to promote Debtor's reorganization, the Court should grant the relief
15 requested herein. The Debtor has demonstrated herein that the use of the Cash Collateral
16 as proposed by the Debtor will preserve the business for the benefit of this estate and the
17 creditors, specifically including the Purported Secured Creditors. Indeed, a successful
18 reorganization depends upon the use of Cash Collateral as proposed herein.

19
20 WHEREFORE, Debtor respectfully requests that the Court enter its Order
21 authorizing it to use cash collateral on the terms and conditions described herein and the
22 exhibits thereto and granting such other and further relief as is just and proper under the
23 circumstances.

24 Dated: July 8, 2024

RHM LAW LLP

25
26 By: /s/ Roksana D. Moradi-Brovia

Roksana D. Moradi-Brovia

W. Sloan Youkstetter

Proposed Attorneys for Debtor

DRIP MORE LLC

DECLARATION OF BRIAN BEREBER

I, Brian Bereber, declare as follows:

1. I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would testify competently with respect thereto. Where facts are alleged upon information and belief, I believe them to be true.

2. I am a managing member of DRIP MORE LLC, the “Debtor” and “Debtor-in-Possession” in the above-captioned case. I am authorized to make decisions for the Debtor.

3. I am the custodian of the Debtor’s books, records, and documents. The Debtor maintains records of its transactions in the regular course of business, and it is the Debtor’s practice and procedure to maintain records and to record transactions, acts, and events at or about the time the transaction occurs. The Debtor relies on these records in connection with its business dealings.

4. The Debtor was formed in August 2016 as a California limited liability corporation. I am the chief executive officer and sole managing member.

5. In or around 2015, I began experimenting with my own e-liquid flavor combinations for vaping. I meticulously mixed vegetable glycerin and nicotine into my creations, refining and perfecting the recipes. Over time, I developed hundreds of revisions for personal use.

6. I thereafter decided to create a product. I commissioned artwork from a talented graphic designer and developed packaging, ultimately choosing a chipboard display box that concealed a PET bottle with a child-resistant cap. I selected his five favorite flavors and named the brand Candy King. With limited funds, I approached a licensed manufacturer in Redlands, CA, to bring my product to life.

7. Once the first batch was ready for distribution, I tirelessly pitched the products to influential distributors, delivering samples and winning them over with quality.

1 Orders began stacking up, prompting me to create the Debtor. I licensed the name, flavor
2 recipes, packaging, and mixing process that I had developed to the Debtor.

3 8. Orders grew quickly, and by March 2017, the Debtor acquired its own
4 warehouse and hired its first two employees, who are still with the company today.

5 9. In August 2017, Drip More LP was created as a pass-through company to
6 facilitate hiring more employees, including out-of-state traveling sales representatives.
7 The company needed reliable transportation for their door-to-door sales reps traveling
8 across the United States. Drip More LLC, a Montana entity, was created to hold the title
9 and registration of six fleet cargo vans used by the sales employees.

10 10. By August 2018, the Debtor became dissatisfied with the quality and
11 production rate of the manufacturer. The Debtor decided to invest in a manufacturing
12 license, machinery, additional warehouse space, and expanded staff to produce its own
13 products.

14 11. The Debtor grew to employ about 80 people at its peak, including
15 administrative, sales, marketing, distribution, and production departments.

16 12. The Debtor currently sells over 100,000 bottles of e-liquid per year to
17 hundreds of licensed resellers across the US and internationally.

18 13. To diversify, many companies in the electronic cigarette industry sought my
19 help to develop new product types. 88 Cloud Consulting LLC was established to manage
20 incoming clients wanting to develop their own product concepts and flavor recipes.

21 14. In 2019, I created Cali Co Pack LLC, seeking to secure customers for whom
22 this entity could produce and package similar e-liquid bottles for other brands.

23 15. After successfully navigating the implementation of the U.S. Food and Drug
24 Administration's ("FDA") Premarket Tobacco Product Application ("PMTA") process in
25 2019, the Debtor grew in 2020, achieving a gross revenue of \$25.1 million.

26 16. As the Debtor's customers are distributors, the Debtor does not sell directly
27 to end-use consumers and therefore its profit margin is the lowest in the supply chain. To
28

1 address this, I decided to open brick-and-mortar vape retail stores in Arizona to promote
2 the Debtor's products at a higher profit margin.

3 17. The plan was to open seven locations quickly. A bookkeeper posing as a
4 CPA advised opening each location under its own entity and as a partnership, resulting in
5 the creation of several LPs throughout 2019: '88 Vape LP, '88 Vape #2 LP, '88 Vape #3
6 LP, '88 Smoke & Vape LP, '88 Smoke & Vape #2 LP, '88 Smoke & Vape #3 LP, '88
7 Smoke & Vape #4 LP. Unfortunately, this disorganized setup did not work as planned.
8 Only four stores opened, and the rest became burdensome lease obligations. The retail
9 store plan suffered due to in-person COVID-19 pandemic related -closures and lack of
10 construction development. All locations ultimately closed at the end of 2023 and
11 beginning of 2024, several of the landlords sued for possession.

12 18. Despite an influx of sales in 2020, the Debtor's transition to 2021 was
13 challenging. The Debtor had expanded into a new product line, which initially
14 significantly contributed to sales. The Debtor began licensing my name, flavor recipes,
15 and packaging designs for a line of disposable vape devices manufactured in China and
16 imported to the US for sale. However, a large batch of defective units and the company
17 had to refund customers and dispose of the defective inventory, severely impacting
18 revenue. Additionally, the Debtor's main business of e-liquid sales was hit hard as
19 procurement of raw materials became incredibly expensive and often delayed.

20 19. Coupled with COVID-19 pandemic related-slowdowns in logistics and
21 supply chain management, these issues led to significant financial losses and made
22 maintaining growth impossible.

23 20. In 2021, the Debtor's revenue dipped to \$22.6 million. I decided to diversify
24 further to mitigate risks associated with potential regulatory changes in the e-liquid market.
25 Deadstock LLC was created to help the Debtor enter the tech industry. The Debtor
26 invested in developing a platform to match buyers with sellers and verify product
27 legitimacy before shipping. On-staff software engineers and mobile application
28

1 developers created a custom platform. FLOM LLC was created in July of 2023 as a pass-
2 through company to facilitate Deadstock LLC's work.

3 21. Things improved in 2022, with the Debtor reaching a gross revenue of \$23.6
4 million. However, the new projects were costly and often delayed due to financial
5 constraints, as e-liquid product sales declined. Regulatory shifts in the new industry added
6 further challenges, leading the Debtor to take unfavorable loans and enter into merchant
7 credit agreements (MCAs) to manage cash flow. These MCAs made daily withdrawals
8 from the Debtor's business account, exacerbating cash flow issues. The company also
9 spent significant amounts on legal and compliance costs due to ever-changing FDA
10 regulations.

11 22. In April 2024, the largest MCA, Harper Advance, LLC sued the Debtor,
12 several of the related entities and me, for breach of contract and related causes of action in
13 New York Supreme Court. The parties had attempted to negotiate in good faith for several
14 months and were ultimately unable to come to terms.

15 23. In the past year, sales further dipped due to economic struggles and industry
16 slowdowns. Combined with payments on the predatory loans, the Debtor's gross revenue
17 dipped down to \$10.2 million in 2023.

18 24. However, quick thinking and a dedicated staff allowed the company to
19 maintain a solid reputation and keep sales orders coming in. The Debtor now employs 20
20 people, 65% of whom have been with the company for over five years. These employees
21 work from a sales office and warehouse located in Redlands, CA, where inventory is
22 manufactured, sold, and shipped.

23 25. The Debtor's sales team works hard to keep current customers happy,
24 procure new customers through cold calls and walk-ins, and expand market coverage.
25 Product marketing through tradeshow and adult entertainment advertising is key to
26 attracting new customers and retaining existing ones. By keeping overheads low and
27
28

focusing on customer satisfaction, quality, and marketing, the company has maintained consistent sales and plans to grow its customer base once again.

26. Prepetition, Drip More LLC Montana, Drip More LP, 88 Cloud Consulting LLC, Deadstock LLC, '88 Vape LP, '88 Vape #2 LP, '88 Vape #3 LP, '88 Smoke & Vape LP, '88 Smoke & Vape #2 LP, '88 Smoke & Vape #3 LP, '88 Smoke & Vape #4 LP, FLOM LLC, and Cali Co Pack LLC sold their assets and assigned their debts to the Debtor herein. The goal is to now take all the ideas and business models of these entities and operate all under the Debtor.

27. This case was filed so that the Debtor can reorganize its financial affairs and maximize the value of his assets for the benefit of the estate.

28. I believe that the following purported creditors of the Debtor have liens on cash collateral:

	Creditor	Earliest Lien date	Claim Amount	Lien
1	Copperwood Capital LLC/ LIQUIDUS FUNDING LLC ("Copperwood")	2/13/2020 (UCC)	\$0 (paid in full prepetition)	"All accounts, all accounts receivables (past and future) chattel paper, cash deposit accounts, documents, equipment, general intangibles, instruments, inventory, or investment property, as those terms are defined in Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by debtor; all proceeds, as that term is defined in Article 9 of the UCC (the "Collateral")."
2	Unknown (filed by C T Corporation System)	4/30/2020 (UCC)	\$0	"All personal property of every kind and nature, including, without limitation, all accounts, contract rights, rights to the payment of money, insurance claims and proceeds, chattel paper, electronic chattel paper, documents, instruments, securities and other investment property, deposit accounts, supporting

1					obligations of every nature, and
2					general intangibles, including
3					without limitation, customer lists,
4					and all books and records related
5					thereto, and all recorded data of
6					any kind and any nature,
7					regardless of the medium of
8					recording; together with, to the
9					extend not listed above as the
10					original collateral, all
11					substitutions and replacements for
12					and products of any of the
13					foregoing property, and together
14					with proceeds of any and all of the
15					foregoing property.”
16	3	Harper Advance, LLC (“Harper”)	7/16/2020 (UCC)	\$9,432,349.16 (the cumulative amount from its four liens)	“Secured party has a security interest in all of the Debtor’s future receivables, inventory, equipment, goods, accounts, investment property, and other personal property and assets.”
17	4	Harper (assignee from Funomate Technologies, 1/31/2024)	8/9/2022 (UCC)	See above	“Receivables- All Assets now owned or hereafter acquired and wherever located, including but not limited to, the following subcategories of assets: a. Accounts, including but not limited to, credit card receivables; b. Chattel Paper; c. Inventory; d. Equipment; e. Instruments, including but not limited to, Promissory Notes; f. Investment Property; g. Documents; h. Deposit Accounts; i. Letter of Credit Rights; j. General Intangibles; k. Supporting Obligations; and i. Letter of Credit Rights; j. General Intangibles; k. Supporting Obligations; and i. Proceeds and Products of the foregoing.”
18	5	Harper	4/5/2023 (UCC)	See above	“All assets and accounts receivable of Drip More LP.”
19	6	Harper	4/5/2023	See above	“All assets and accounts

		(UCC)		receivable of Drip More LLC.”
7	Employment Development Department (“EDD”)	11/27/2023 (Tax Lien)	\$8,380.26	“The amount of delinquency above set forth shall be a lien upon all real or personal property and rights to such property, including all after acquired property and rights to property belonging to the above named.”
8	MODO LLC (“MODO”)	1/22/2024 (UCC)	Unknown	“Secured party has a security interest in all of debtor's future receivables, inventory, equipment, goods, accounts, investment property, and other personal property and assets.”

(Collectively, the “Purported Secured Creditors”).

29. The Debtor is not aware of any other entity asserting an interest in the Cash Collateral.

30. Attached as **Exhibit “B”** and incorporated herein is a true and correct copy of the UCC-1 Financing Statement (“UCC”) filed by Copperwood on February 13, 2020.

31. Attached as **Exhibit “C”** and incorporated herein is a true and correct copy of the UCC filed by C T CORPORATION SYSTEM on behalf of an unknown party on April 30, 2020.

32. Attached as **Exhibit “D”** and incorporated herein is a true and correct copy of the UCC filed by Harper on July 16, 2020.

33. Attached as **Exhibit “E”** and incorporated herein is a true and correct copy of the UCC filed by Fundomate Technologies on August 9, 2022 and the assignment to Harper filed on January 31, 2024.

34. Attached as **Exhibit “F”** and incorporated herein is a true and correct copy of the UCC filed by Harper on April 5, 2023.

35. Attached as **Exhibit “G”** and incorporated herein is a true and correct copy of the UCC filed by Harper on April 5, 2023.

36. Attached as **Exhibit “H”** and incorporated herein is a true and correct copy of the tax lien filed by the EDD on November 27, 2023.

37. Attached as **Exhibit “I”** and incorporated herein is a true and correct copy of the UCC filed by MODO on January 22, 2024.

38. Attached as **Exhibit “J”** and incorporated herein is the required *Statement Regarding Cash Collateral or Debtor in Possession Financing [FRBP 4001; LBR 4001-2]*.

39. Through this Motion, the Debtor requests that the Court treat the initial hearing as a preliminary hearing and enter an interim order approving necessary expenses to avoid immediate and irreparable harm to the estate pending a final hearing.

40. To that end, within the first 14-days of this case (July 5, 2024 through July 19, 2024 - business days), the Debtor has the following necessary expenses to avoid immediate and irreparable harm:

Expenses	Amount
Materials (cost of goods sold)	\$96,690
Employee Payroll (excluding insiders)	\$20,561
Payroll Taxes	\$2,848
Property Insurance	\$835
Shipping/Warehouse Supplies	\$1,008
Manufacturing Supplies	\$437
Box Truck Rental	\$900
Storage	\$1,828
Electrical	\$876
Waste Disposal	\$5,055
Water	\$525
Fuel for Box Truck	\$750
Licenses/Permits	\$5,000
Shipping	\$8,680
Total:	\$145,993

41. I believe that approval of the expenses listed in the chart above will ensure that the Debtor’s operation will allow the business to run smoothly and not be affected by the filing.

42. I believe that those expenses represent the expenditures to maintain the business operations for the Interim Period.

1 43. With this kind of operation, the whole is greater than the sum of its parts as
2 they are interdependent. If any one component is affected, it will have significant
3 consequences for the Debtor's ability to manufacture and sell its products and generate
4 revenue for the creditors of the estate. As a result, the Debtor could lose customers and
5 damage its reputation in the industry. Therefore, I believe that unless the Debtor is able to
6 pay the expenses set forth in the chart, immediate and irreparable harm to the business will
7 occur.

8 44. The Debtor cannot operate without its employees as they make the products,
9 assemble them, package/ship them, sell, etc. The Debtor's employees are scheduled to be
10 paid on July 15, 2024 (15th and last day of each month), with payroll to be initiated by 2:00
11 p.m. on July 12, 2024. Some of those employees have families with their own bills and
12 household expenses. If the Debtor is unable to pay payroll for several weeks, I believe that
13 some of the employees might quit to find other employment or become disgruntled, which
14 may affect their performance. I believe that it is critical for the survival of the Debtor that
15 it keeps its employees happy and pays its employees without any interruptions.

16 45. Similarly, the Debtor must be able to pay the taxes associated with payroll to
17 avoid becoming delinquent with the Employment Development Department (the "EDD")
18 and incurring additional administrative expenses.

19 46. The Debtor must have access to funds to buy the materials to make the
20 products as it cannot generate revenue unless it has the products available to sell to its
21 customers. This will allow the Debtor to adequately manufacture its products. Along
22 those lines, the Debtor has to purchase supplies associated with the manufacturing, which
23 allows the Debtor to be able to make its products and to keep its employees safe. The
24 Debtor must also pay for waste disposal from the manufacturing of the products, otherwise
25 the Debtor would have to incur the expenses with storing and/or disposing of the waste.
26 This also ensures that the Debtor will not violate any state/federal regulations as to waste
27 disposal.
28

1 47. The Debtor must be able to pay its property insurance premium timely or
2 risk exposing the estate to postpetition liability as the policy could be suspended or
3 cancelled.

4 48. The Debtor has expenses associated with the warehouse supplies, including
5 assembly and storage. The Debtor must have the ability to package its product in order to
6 make sure it is available for sale and distribution. Similarly, the Debtor must have the
7 ability to pay for storage to adequately store and protect its product. If the product gets
8 damaged or stolen, that will severely harm the Debtor.

9 49. The Debtor must pay for shipping and the associated expenses, such as
10 shipping supplies, box truck rental, and fuel. Again, if the Debtor is unable to ship or
11 move its product, it will not be able to generate revenue and will severely harm its
12 reputation.

13 50. The Debtor must pay its utilities, such as electricity and water, or risk them
14 being shut off for nonpayment.

15 51. Lastly, the Debtor must be able to pay all licenses and permits to stay in
16 compliance with industry regulations.

17 52. Notwithstanding the request to allow use of cash collateral for the first two
18 weeks of this case, the Debtor respectfully requests an order of this Court authorizing it to
19 use cash collateral for the period July 5, 2024 through October 31, 2024, on the terms and
20 conditions set forth herein, and as set forth in the projected income and expense statement
21 (the “Budget”), which is attached hereto as **Exhibit “A”** and incorporated herein.

22 53. Here, the Debtor seeks to use Cash Collateral based on the attached Budget
23 for the next three months, i.e., the Interim Period. The Budget delineates the amount of
24 Cash Collateral needed for the Interim Period to maintain and operate the business. The
25 ability for the Debtor to maintain and operate the business will significantly facilitate the
26 intended goal of this case to reorganize.

1 54. As set forth above, if the Debtor's access to the cash collateral is interrupted
2 or ceases, the consequences would be disastrous for the business and the estate. The
3 Debtor would be unable to operate and preserve the business. The employees would leave,
4 the Debtor would be unable to purchase inventory, and the business would shut down
5 making its value as a going concern zero. In sum, I believe that the Debtor's business, and
6 the Debtor's prospects for a successful reorganization, will end.

7 55. I believe that the Debtor has significant value as a going concern rather than
8 if it is forced to shut down and liquidate its assets.

9 56. As such, the Debtor has determined that it would be in the overwhelming
10 best interests of the estate and its creditors to use the cash collateral to continue to operate
11 and maintain its business.

12 57. The Debtor intends to use the Cash Collateral to operate and preserve the
13 business as is set forth in the Budget attached as **Exhibit "A."**

14 58. Therefore, I believe that the Purported Secured Creditors are adequately
15 protected by the continued and uninterrupted operation of the business. The Debtor's use
16 of Cash Collateral will enhance or preserve the value of the estate because the use of Cash
17 Collateral is essential to continue the ordinary maintenance and operation of the business.

18 59. The Debtor will also give to the Purported Secured Creditors a replacement
19 lien to the extent that the creditor's Cash Collateral is actually used.

20 60. The Debtor will segregate in its cash collateral DIP bank account all revenue
21 exceeding the funds needed to pay the expenses set forth in the Budget.

22 61. The Debtor also proposes monthly adequate protection payments to
23 following Purported Secured Creditors:

24 -Harper: \$35,000 per month, with the payments starting on July 29, 2024, and on the 29th
25 of each month thereafter, through October 31, 2024.

26 -EDD: \$2,095 per month, with the payments starting on July 29, 2024, and on the 29th of
27 each month thereafter, through October 31, 2024.

1 62. The Debtor believes that MODO will be fully unsecured based on the senior
2 liens and the value of the Debtor's assets, and therefore, will not receive adequate
3 protections payments. Nonetheless, the Debtor believes that MODO will be adequately
4 protected by the continued operation of the business.

5 63. Based on the foregoing, I believe that the Purported Secured Creditors will
6 be adequately protected.

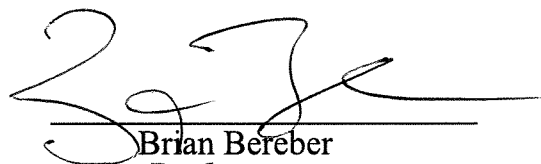
7 64. Although the Budget represents the Debtor's best estimate of the necessary
8 expenses associated with the operation of the Property during the Interim Period, they may
9 fluctuate due to circumstances out of the Debtor's control, such as unanticipated expenses
10 related to restocking inventory, repairing or replacing equipment, hiring new employees, or
11 other emergency expenses. Therefore, the Debtor requests court authority to deviate from
12 the total operating expenses contained in the budget by no more than 15% and to deviate
13 by category (provided the Debtor does not pay any expenses outside any of the approved
14 categories) without the need for further Court order.

15 65. The Debtor will continue to be bound by the terms and conditions set forth in
16 the prepetition agreement except as specifically modified herein. This shall not constitute
17 a modification of the liens granted to the Purported Secured Creditors by the Debtor
18 pursuant to the various agreements between the parties and various perfection documents.

19
20 I declare under penalty of perjury pursuant to the laws of the United States of
21 America that the foregoing is true and correct.

22
23 Executed this July 8, 2024, at Orange County, California.

24
25
26 By:



Brian Bereber
Declarant

EXHIBIT A

	7/5-7/12	7/13-7/19	7/20-7/26	7/27-7/31	Aug-24	Sep-24	Oct-24
Monthly Income							
Gross Sales Revenue	\$125,294	\$125,294	\$125,294	\$125,294	\$501,177	\$501,177	\$501,177
Total Revenue	\$125,294	\$125,294	\$125,294	\$125,294	\$501,177	\$501,177	\$501,177
Costs of Goods Sold ("COGS")							
Materials	\$48,345	\$48,345	\$48,345	\$48,345	\$193,379	\$193,379	\$193,379
Total COGS	\$48,345	\$48,345	\$48,345	\$48,345	\$193,379	\$193,379	\$193,379
Gross Profits (total revenue minus total COGS)	\$76,950	\$76,950	\$76,950	\$76,950	\$307,798	\$307,798	\$307,798
Operating Expenses							
Insider Payroll (will only be paid once the insider compensation is approved)	\$0	\$0	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000
Employee Payroll	\$20,561	\$0	\$52,071	\$0	\$107,000	\$107,000	\$107,000
Payroll Taxes (federal & state)	\$2,848	\$0	\$7,212	\$0	\$14,820	\$14,820	\$14,820
Insurance - Property	\$0	\$835	\$0	\$0	\$835	\$835	\$835
Insurance - Worker's Comp	\$0	\$0	\$0	\$2,537	\$2,537	\$2,537	\$2,537
Insurance - Auto	\$0	\$0	\$0	\$2,872	\$2,872	\$2,872	\$2,872
Supplies - Shipping/Warehouse	\$1,008	\$0	\$1,364	\$0	\$2,372	\$2,372	\$2,372
Supplies - Manufacturing/Janitorial	\$218	\$218	\$218	\$218	\$873	\$873	\$873
Supplies - Sales/Office	\$0	\$0	\$0	\$174	\$174	\$174	\$174
Software (Adobe, Dropbox, Gmail, Klaviyo, Remote PC, Badger Maps)	\$0	\$0	\$1,130	\$2,734	\$3,864	\$3,864	\$3,864
Rent - Office	\$0	\$0	\$0	\$750	\$750	\$750	\$750
Rent - Warehouse	\$0	\$0	\$0	\$20,395	\$20,395	\$20,395	\$20,395
Phone & Internet	\$0	\$0	\$0	\$807	\$807	\$807	\$807
Equipment Rental - Box Truck	\$450	\$450	\$450	\$450	\$1,800	\$1,800	\$1,800
Equipment Rental - Penske Storage Trailers	\$0	\$0	\$0	\$528	\$528	\$528	\$528
Storage Units	\$1,828	\$0	\$506	\$0	\$2,334	\$2,334	\$2,334
Misc. Repairs & Maintenance for Equipment (reserve)	\$750	\$750	\$750	\$750	\$3,000	\$3,000	\$3,000
Utilities (electrical)	\$0	\$876	\$0	\$0	\$950	\$950	\$950
Waste service	\$5,055	\$0	\$0	\$0	\$2,500	\$2,500	\$2,500
Water	\$525	\$0	\$0	\$0	\$600	\$600	\$600
Fuel	\$375	\$375	\$375	\$375	\$1,500	\$1,500	\$1,500
Advertising & Marketing	\$3,750	\$3,750	\$3,750	\$3,750	\$15,000	\$15,000	\$15,000
Licenses and Permits	\$0	\$5,000	\$0	\$0	\$5,000	\$5,000	\$5,000
QuickBooks	\$185	\$0	\$0	\$0	\$185	\$185	\$185
Postage/LTL Shipping	\$5,303	\$3,377	\$4,500	\$4,500	\$18,000	\$18,000	\$18,000
Auto Payments	\$0	\$0	\$0	\$2,060	\$987	\$987	\$987
Total Operating Expenses	\$42,856	\$15,631	\$87,327	\$57,901	\$239,683	\$239,683	\$239,683

Bankruptcy Expenses							
Adequate Protection Payments							
Harper Advance	\$0	\$0	\$0	\$35,000	\$35,000	\$35,000	\$35,000
EDD	\$0	\$0	\$0	\$2,095	\$2,095	\$2,095	\$2,095
Administrative							
MOR Preparer Fees	\$0	\$0	\$0	\$0	\$750	\$750	\$750
RHM LAW LLP (general BK counsel) (once fees/costs approved)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CPA (once employed/fees approved)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UST Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$11,008
Total Bankruptcy Expenses	\$0	\$0	\$0	\$37,095	\$37,845	\$37,845	\$48,853
Total Expenses (operating and bankruptcy)	\$42,856	\$15,631	\$87,327	\$94,996	\$277,528	\$277,528	\$288,536
Net Profits (gross profits minus total expenses)	\$34,093	\$61,319	(\$10,377)	(\$18,046)	\$30,270	\$30,270	\$19,262
Cash Balance (as of the petition date, the Debtor held no cash)	\$34,093	\$95,412	\$85,034	\$66,988	\$97,258	\$127,528	\$146,789

EXHIBIT B

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Corporation Service Company 800-858-5294
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) CORPORATION SERVICE COMPANY 801 ADLAI STEVENSON DRIVE Springfield, IL 62703-4261 USA

DOCUMENT NUMBER: 86126420002

FILING NUMBER: 20-7762445481

FILING DATE: 02/13/2020 14:08

IMAGE GENERATED ELECTRONICALLY FOR XML FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME Drip More LLC			
	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 1110 Palmyrita Ave Ste 120		CITY Riverside	STATE CA	POSTAL CODE 92507
				COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME			
	2b. INDIVIDUAL'S SURNAME Bereber	FIRST PERSONAL NAME Brian	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS 67 Turnstone		CITY Irvine	STATE CA	POSTAL CODE 92618
				COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME Copperwood Capital LLC			
	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 800 N. Shoreline Blvd., Suite 1500 S.		CITY Corpus Christi	STATE TX	POSTAL CODE 78401
				COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

All accounts, all accounts receivable (past present and future) chattel paper, cash, deposit accounts, documents, equipment, general intangibles, instruments, inventory, or investment property, as those terms are defined in Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by debtor; and all proceeds, as that term is defined in Article 9 of the UCC (the "Collateral") Notification is hereby given that Debtor and Guarantor have granted a negative pledge to Copperwood Capital LLC with respect to the collateral. Any subsequent lender or lienor may be tortuously interfering with Copperwood Capital's rights.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

[177535026]

FILING OFFICE COPY

EXHIBIT C

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Lien Solutions 800-331-3282
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071 USA

DOCUMENT NUMBER: 88364350002**FILING NUMBER:** 20-7775862266**FILING DATE:** 04/30/2020 13:12**IMAGE GENERATED ELECTRONICALLY FOR XML FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY**

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME Drip More LLC			
	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 1110 Palmyrita Ave		CITY Riverside	STATE CA	POSTAL CODE 92507
				COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME			
	2b. INDIVIDUAL'S SURNAME Bereber	FIRST PERSONAL NAME Brian	ADDITIONAL NAME(S)/INITIAL(S) C	SUFFIX
2c. MAILING ADDRESS 1110 Palmyrita Ave		CITY Riverside	STATE CA	POSTAL CODE 92507
				COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME C T Corporation System, as representative			
	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 330 N Brand Blvd, suite 700; Attn: SPRS		CITY Glendale	STATE CA	POSTAL CODE 91203
				COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

All personal property of every kind and nature, including, without limitation, all accounts, contract rights, rights to the payment of money, insurance claims and proceeds, chattel paper, electric chattel paper, documents, instruments, securities and other investment property, deposit accounts, supporting obligations of every nature, and general intangibles, including without limitation, customer lists, and all books and records related thereto, and all recorded data of any kind and any nature, regardless of the medium of recording; together with, to the extent not listed above as the original collateral, all substitutions and replacements for and products of any of the foregoing property, and together with proceeds of any and all of the foregoing property

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

CA-0-74888329-59005582

FILING OFFICE COPY

EXHIBIT D



STATE OF CALIFORNIA
Office of the Secretary of State, Alex Padilla
UCC FINANCING STATEMENT (UCC 1)
California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File #: U200001068620

Date Filed: 7/16/2020

Submitter Information:

Contact Name	CORPORATION SERVICE COMPANY
Organization Name	CORPORATION SERVICE COMPANY
Phone Number	18008585294
Email Address	SPRFiling@cscglobal.com
Address	801 ADLAI STEVENSON DR SPRINGFIELD, IL 62703

Debtor Information:

Debtor Name	Mailing Address
DRIP MORE LP	1110 PALMYRITA AVE #120 RIVERSIDE, CA 92507

Secured Party Information:

Secured Party Name	Mailing Address
HARPER ADVANCE, LLC	8484 WILSHIRE BLVD SUITE 630 BEVERLY HILLS, CA 90211

Indicate how documentation of Collateral is provided:

Entered as Text

Description:

SECURED PARTY HAS A SECURITY INTEREST IN ALL OF DEBTOR'S FUTURE RECEIVABLES, INVENTORY, EQUIPMENT, GOODS, ACCOUNTS, INVESTMENT PROPERTY, AND OTHER PERSONAL PROPERTY AND ASSETS

Indicate if Collateral is held in a Trust or is being administered by a Decedent's Personal Representative:

Not Applicable

Select an alternate Financing Statement type:

Select an additional alternate Financing Statement type:

Select an alternative Debtor/Secured Party designation for this Financing Statement:

Optional Filer Reference Information:

1926 26551

EXHIBIT E



STATE OF CALIFORNIA
Office of the Secretary of State
UCC FINANCING STATEMENT (UCC 1)

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: U220217298738

Date Filed: 8/9/2022

Submitter Information:

Contact Name	CORPORATION SERVICE COMPANY
Organization Name	CORPORATION SERVICE COMPANY
Phone Number	18008585294
Email Address	SPRFiling@cscglobal.com
Address	801 ADLAI STEVENSON DR SPRINGFIELD, IL 62703

Debtor Information:

Debtor Name	Mailing Address
DRIP MORE LLC	1110 PALMYRITA AVE #120 RIVERSIDE, CA 92507
DRIP MORE LP	25978 BUSINESS CENTER DR REDLANDS, CA 92374

Secured Party Information:

Secured Party Name	Mailing Address
FUNDOMATE TECHNOLOGIES, INC.	300 CONTINENTAL BLVD. STE. 410 EL SEGUNDO, CA 90245

Indicate how documentation of Collateral is provided:

Entered as Text

Description:

Receivables- All Assets now owned or hereafter acquired & wherever located, including but not limited to, the following subcategories of assets: a. Accounts, including but not limited to, credit card receivables; b. Chattel Paper; c. Inventory; d. Equipment; e. Instruments, including but not limited to, Promissory Notes; f. Investment Property; g. Documents; h. Deposit Accounts; i. Letter of Credit Rights; j. General Intangibles; k. Supporting Obligations; and i. Proceeds and Products of the foregoing. NOTICE PURSUANT TO AN AGREEMENT BETWEEN DEBTOR & SECURED PARTY, DEBTOR HAS AGREED NOT TO FURTHER ENCUMBER THE COLLATERAL DESCRIBED HEREIN. THE FURTHER ENCUMBERING OF WHICH MAY CONSTITUTE THE TORTIOUS INTERFERENCE WITH THE SECURED PARTY'S RIGHT BY SUCH ENCUMBRANCES IN THE EVENT THAT ANY ENTITY IS GRANTED A SECURITY INTEREST IN DEBTOR'S ACCOUNTS, CHATTEL PAPER OR GENERAL INTANGIBLES CONTRARY TO THE ABOVE, THE SECURED PARTY ASSERTS A CLAIM TO ANY PROCEEDS THEREOF RECEIVED BY SUCH ENTITY

Indicate if Collateral is held in a Trust or is being administered by a Decedent's Personal Representative:

Not Applicable

Select an alternate Financing Statement type:

Select an additional alternate Financing Statement type:

Select an alternative Debtor/Secured Party designation for this Financing Statement:

Optional Filer Reference Information:

2373 48425



STATE OF CALIFORNIA
Office of the Secretary of State
**UCC FINANCING STATEMENT AMENDMENT (UCC
3)**
California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: U240008310419

Date Filed: 1/31/2024

B2459-7856 01/31/2024 9:38 AM Received by California Secretary of State

Submitter Information:

Contact Name

Organization Name

Phone Number

Email Address

Address

None

Amendment Action Information:

Initial Financing Statement File Number

U220217298738

Date Filed

08/09/2022

Amendment Action

Assignment

Secured Party Assignee:

Secured Party Name	Mailing Address	Assignee
HARPER ADVANCE, LLC	7162 BEVERLY BLVD., #204 LOS ANGELES, CA 90036	<input checked="" type="checkbox"/> Assignee

Indicate how documentation of Collateral is provided:

Entered as Text

Description:

All assets of the Debtor, whether now existing or hereafter arising.

Name of Secured Party of Record Authorizing This Amendment:

☐ If this Amendment is authorized by a Debtor, check this box and select the name of the Authorizing Debtor below.

Authorizing Secured Party Name

FUNDOMATE TECHNOLOGIES, INC.

Optional Filer Reference Information:

Miscellaneous Information:



STATE OF CALIFORNIA
Office of the Secretary of State
**UCC FINANCING STATEMENT AMENDMENT (UCC
3)**
California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: U240008310419

Date Filed: 1/31/2024

B2459-7856 01/31/2024 9:38 AM Received by California Secretary of State

Submitter Information:		
Contact Name		
Organization Name		
Phone Number		
Email Address		
Address		None
Amendment Action Information:		
Initial Financing Statement File Number		U220217298738
Date Filed		08/09/2022
Amendment Action		Assignment
Secured Party Assignee:		
Secured Party Name	Mailing Address	Assignee
HARPER ADVANCE, LLC	7162 BEVERLY BLVD., #204 LOS ANGELES, CA 90036	<input checked="" type="checkbox"/> Assignee
Indicate how documentation of Collateral is provided: Entered as Text		
Description: All assets of the Debtor, whether now existing or hereafter arising.		
Name of Secured Party of Record Authorizing This Amendment:		
<input type="checkbox"/> If this Amendment is authorized by a Debtor, check this box and select the name of the Authorizing Debtor below.		
Authorizing Secured Party Name		FUNDOMATE TECHNOLOGIES, INC.
Optional Filer Reference Information:		
Miscellaneous Information:		

EXHIBIT F



STATE OF CALIFORNIA
Office of the Secretary of State
UCC FINANCING STATEMENT (UCC 1)
California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: U230024040517

Date Filed: 4/5/2023

B1654-2359 04/05/2023 2:34 PM Received by California Secretary of State

Submitter Information:	
Contact Name	Dov Hershberg
Organization Name	Harper Advance, LLC
Phone Number	
Email Address	
Address	7162 BEVERLY BLVD., #204 LOS ANGELES, CA 90036
Debtor Information:	
Debtor Name	Mailing Address
Drip More LP	25978 Business Center Drive Redlands, CA 92374
Secured Party Information:	
Secured Party Name	Mailing Address
Harper Advance, LLC	7162 BEVERLY BLVD., #204 LOS ANGELES, CA 90036
Indicate how documentation of Collateral is provided: Entered as Text	
Description: All assets and accounts receivable of Drip More LP.	
Indicate if Collateral is held in a Trust or is being administered by a Decedent's Personal Representative: Not Applicable	
Select an alternate Financing Statement type: Not Applicable	
Select an additional alternate Financing Statement type: Not Applicable	
Select an alternative Debtor/Secured Party designation for this Financing Statement: Not Applicable	
Optional Filer Reference Information: DJK Acquisition of Drip - CA, SOS	
Miscellaneous Information:	
Search to Reflect: <input type="checkbox"/> Order a Search to Reflect	

EXHIBIT G



STATE OF CALIFORNIA
Office of the Secretary of State
UCC FINANCING STATEMENT (UCC 1)

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: U230024041014

Date Filed: 4/5/2023

B1654-2364 04/05/2023 2:34 PM Received by California Secretary of State

Submitter Information:

Contact Name: Dov Hershberg
Organization Name: Harper Advance, LLC
Phone Number:
Email Address:
Address: 7162 BEVERLY BLVD., #204
LOS ANGELES, CA 90036

Debtor Information:

Debtor Name	Mailing Address
Drip More LLC	25978 Business Center Drive Redlands, CA 92374

Secured Party Information:

Secured Party Name	Mailing Address
Harper Advance, LLC	7162 BEVERLY BLVD., #204 LOS ANGELES, CA 90036

Indicate how documentation of Collateral is provided:

Entered as Text

Description:

All assets and accounts receivable of Drip More LLC.

Indicate if Collateral is held in a Trust or is being administered by a Decedent's Personal Representative:

Not Applicable

Select an alternate Financing Statement type:

Not Applicable

Select an additional alternate Financing Statement type:

Not Applicable

Select an alternative Debtor/Secured Party designation for this Financing Statement:

Not Applicable

Optional Filer Reference Information:

DJK Acquisition of Drip - CA, SOS

Miscellaneous Information:

Search to Reflect:

☐ Order a Search to Reflect

EXHIBIT H

WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
EMPLOYMENT DEVELOPMENT DEPARTMENT
LIEN GROUP, MIC 92G
PO BOX 826880
SACRAMENTO, CA 94280-0001

For Office Use Only

-FILED-

File No.: U230083455428

Date Filed: 11/27/2023

NOTICE OF STATE TAX LIEN

(Filed pursuant to Section 7171 of the Government Code)

DRIP MORE LP
DRIP MORE
DRIP MORE LLC
1110 PALMYRITA AVE
STE 120
RIVERSIDE CA 92507-1723

Secretary of State

Letter ID. L0475672144

Certificate No. G002770522

TAX PERIOD	TAX	PENALTY	INTEREST	TOTAL
04/01/2022 to 12/31/2022	\$8,380.26	\$1,279.04	\$555.42	\$10,214.72

Interest calculated through 11/27/2023

The Director of the Employment Development Department hereby certifies the above is liable to the State of California for amounts due and required to be paid as determined under the provisions of the California Unemployment Insurance Code, the Revenue and Taxation Code, or both.

THE AMOUNT OF DELINQUENCY ABOVE SET FORTH SHALL BE A LIEN UPON ALL REAL OR PERSONAL PROPERTY AND RIGHTS TO SUCH PROPERTY, INCLUDING ALL AFTER-ACQUIRED PROPERTY AND RIGHTS TO PROPERTY BELONGING TO THE ABOVE NAMED.

Date: **11/27/2023**

At Sacramento, California



The Director of the Employment Development Department has complied with all provisions of the California Unemployment Insurance Code in the computation and levy of the amount assessed and has caused this notice of lien to be issued by a duly authorized representative.

By

C Dumanska
Authorized Representative

This agency has adopted the use of a facsimile signature as affixed above.

EXHIBIT I



STATE OF CALIFORNIA
Office of the Secretary of State
UCC FINANCING STATEMENT (UCC 1)

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: U240005096320

Date Filed: 1/22/2024

B2433-7570 01/22/2024 4:20 PM Received by California Secretary of State

Submitter Information:

Contact Name	CORPORATION SERVICE COMPANY
Organization Name	CORPORATION SERVICE COMPANY
Phone Number	18008585294
Email Address	SPRFiling@cscglobal.com
Address	801 ADLAI STEVENSON DR SPRINGFIELD, IL 62703

Debtor Information:

Debtor Name	Mailing Address
DRIP MORE LLC	25978 BUSINESS CENTER DRIVE REDLANDS, CA 92374
DRIP MORE LP	25978 BUSINESS CENTER DRIVE REDLANDS, CA 92374
DEADSTOCK LLC	25978 BUSINESS CENTER DRIVE REDLANDS, CA 92374
CALI CO PACK LLC	25978 BUSINESS CENTER DRIVE REDLANDS, CA 92374

Secured Party Information:

Secured Party Name	Mailing Address
MODO LLC	7162 BEVERLY BOULEVARD #204 LOS ANGELES, CA 90036

Indicate how documentation of Collateral is provided:

Entered as Text

Description:

SECURED PARTY HAS A SECURITY INTEREST IN ALL OF DEBTOR'S FUTURE RECEIVABLES, INVENTORY, EQUIPMENT, GOODS, ACCOUNTS, INVESTMENT PROPERTY, AND OTHER PERSONAL PROPERTY AND ASSETS

Indicate if Collateral is held in a Trust or is being administered by a Decedent's Personal Representative:

Not Applicable

Select an alternate Financing Statement type:

Select an additional alternate Financing Statement type:

Select an alternative Debtor/Secured Party designation for this Financing Statement:

Optional Filer Reference Information:

2742 89307

EXHIBIT J

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Roksana D. Moradi-Brovia (Bar No. 266572) W. Sloan Youkstetter (Bar No. 296681) RHM LAW LLP 17609 Ventura Blvd., Suite 314 Encino, CA 91316 Telephone: (818) 285-0100 Facsimile: (818) 855-7013 roksana@RHMfirm.com sloan@RHMfirm.com <input type="checkbox"/> <i>Individual appearing without attorney</i> <input checked="" type="checkbox"/> <i>Attorney for: Debtor</i>	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION	
In re: DRIP MORE LLC, <div style="text-align: right;">Debtor(s).</div>	<div style="padding: 5px;"> CASE NO.: 8:24-bk-11703-SC CHAPTER: 11 </div> <div style="text-align: center; padding: 10px;"> STATEMENT REGARDING CASH COLLATERAL OR DEBTOR IN POSSESSION FINANCING [FRBP 4001; LBR 4001-2] </div> <div style="padding: 5px;"> DATE: TIME: COURTROOM: 5C ADDRESS: 411 West Fourth Street Santa Ana, CA 92701 </div>

Secured party(ies): Harper Advance, LLC, Employment Development Department, MODO LLC

The Debtor has requested the approval of either (1) a motion for use of cash collateral, or postpetition financing, or both, or (2) through a separately-filed motion, a stipulation providing for the use of cash collateral, or postpetition financing, or both. The proposed form of order on the motion or the stipulation contains the following provisions or findings of fact:

Disclosures Tracking FRBP 4001(c)(1)(B)(i) through (xi) and (d)(1)(B)	Page No.:	Line No. (if applicable)
<input type="checkbox"/> (i): "[A] grant of priority or a lien on property of the estate under § 364(c) or (d)"		
<input type="checkbox"/> (ii): "[T]he providing of adequate protection or priority for a claim that arose before the commencement of the case, including the granting of a lien on property of the estate to secure the claim, or the use of property of the estate or credit obtained under § 364 to make cash payments on account of the claim" <div style="margin-left: 20px;"> <input type="checkbox"/> Cross-collateralization, <i>i.e.</i>, clauses that secure prepetition debt by postpetition assets in which the secured party would not otherwise have a security interest by virtue of its prepetition security agreement or applicable law <input type="checkbox"/> Roll-up, <i>i.e.</i>, provisions deeming prepetition debt to be postpetition debt or using postpetition loans from a prepetition secured party to pay part or all of that secured party's prepetition debt, other than as provided in § 552(b) </div>		

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

<i>Continued from page 1</i>			
<input type="checkbox"/>	Grant a replacement lien in an amount in excess of the dollar amount of the lien on cash collateral as of the petition date		
<input type="checkbox"/>	(iii): "[A] determination of the validity, enforceability, priority, or amount of a claim that arose before the commencement of the case, or of any lien securing the claim"		
<input type="checkbox"/>	(iv): "[A] waiver or modification of Code provisions or applicable rules relating to the automatic stay"		
<input type="checkbox"/>	Automatic relief from the automatic stay upon occurrence of certain events.		
<input type="checkbox"/>	(v): "[A] waiver or modification of any entity's authority or right to file a plan, seek an extension of time in which the debtor has the exclusive right to file a plan, request the use of cash collateral under § 363(c), or request authority to obtain credit under § 364"		
<input type="checkbox"/>	(vi): "[T]he establishment of deadlines for filing a plan of reorganization, for approval of a disclosure statement, for a hearing on confirmation, or for entry of a confirmation order"		
<input type="checkbox"/>	(vii): "[A] waiver or modification of the applicability of nonbankruptcy law relating to the perfection of a lien on property of the estate, or on the foreclosure or other enforcement of the lien"		
<input type="checkbox"/>	(viii): "[A] release, waiver, or limitation on any claim or other cause of action belonging to the estate or the trustee, including any modification of the statute of limitations or other deadline to commence an action"		
<input type="checkbox"/>	(ix): "[T]he indemnification of any entity"		
<input type="checkbox"/>	(x): "[A] release, waiver, or limitation of any right under § 506(c)"		
<input type="checkbox"/>	The granting of any lien on any claim or cause of action arising under § 506(c)		
<input type="checkbox"/>	(xi): "The granting of any lien on any claim or cause of action arising under §§ 544, 545, 547, 548, 549, 553(b), 723(a), or 724(a)"		
Additional Disclosures Required by LBR 4001-2		Page No.:	Line No. (if applicable)
<input type="checkbox"/>	With respect to a professional fee carve out, disparate treatment for professionals retained by a creditors' committee from that provided for the professionals retained by the debtor		
<input type="checkbox"/>	Pay down prepetition principal owed to a creditor		
<input type="checkbox"/>	Findings of fact on matters extraneous to the approval process		

07/08/2024
Date

Roksana D. Moradi-Brovia
Printed Name

/s/ Roksana D. Moradi-Brovia
Signature

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
17609 Ventura Blvd., Suite 314, Encino, CA 91316.

A true and correct copy of the foregoing document entitled (*specify*):
EMERGENCY MOTION FOR AUTHORITY TO USE CASH COLLATERAL ON AN INTERIM BASIS; MEMORANDUM
OF POINTS AND AUTHORITIES; DECLARATION OF BRIAN BEREBER IN SUPPORT THEREOF

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 07/08/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) 07/08/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 07/08/2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

07/08/2024
Date

Max Bonilla
Printed Name

/s/ Max Bonilla
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) [CONTINUED]:

- Counsel for Debtor Roksana D. Moradi-Brovia Roksana@rhmfirm.com, matt@rhmfirm.com;rosario@rhmfirm.com;sloan@rhmfirm.com;priscilla@rhmfirm.com;rebeca@rhmfirm.com;david@rhmfirm.com;susie@rhmfirm.com;max@rhmfirm.com;russ@rhmfirm.com
- Counsel for US Trustee Queenie K Ng queenie.k.ng@usdoj.gov
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL [CONTINUED]:

SECURED CREDITORS:

Harper Advance LLC
c/o Law Office of Susie Chovev, Esq
920 Crawford Road
Woodmere, NY 11598

Los Angeles, CA 90071

Modo LLC
7162 Beverly Blvd., Ste 204
Los Angeles, CA 90036

Harper Advance LLC
c/o Steven W. Wells, Esq.
229 Warner Road
Lancaster, NY 14086

Employment Development Department
Bankruptcy Group MIC 92E
P. O. Box 826880
Sacramento, CA 94280-0001

Harper Advance LLC
c/o Leib M. Lerner
Alston & Bird LLP
350 South Grand Avenue
51st Floor

C T Corporation System
330 N. Brand Blvd, Suite 700
Glendale, CA 91203

ALL PRIORITY CREDITORS OF THE ESTATE:

Employment Development Department
Bankruptcy Group MIC 92E
P. O. Box 826880
Sacramento, CA 94280-0001

City of Loma Linda Dept of Finance
25541 Barton Rd
Loma Linda, CA 92354

Franchise Tax Board
Bankruptcy Section MS A340
PO BOX 2952
Sacramento, CA 95812-2952

Missouri Dept Revenue Taxation Div
PO BOX 3375
Jefferson City, MO 65105-3375

California Department of Tax & Fee
Special Procedures Section MIC: 29
P.O. Box 942879
Sacramento, CA 94279

San Bernardino County Tax Collector
825 East Hospitality Lane, 1st FL
San Bernardino, CA 92415-0914

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

State of New Jersey Dept of Treasur
PO BOX 260
Trenton, NJ 08646

Arizona Dept of Revenue
PO Box 29085
Phoenix, AZ 85038

City of Los Angeles
Office of Finance
200 N Main Street, Ste 920
Los Angeles, CA 90012

City of Tempe
20 E 6th Street

Tempe, AZ 85281

ALL REMAINING CREDITORS OF THE ESTATE + PARTIES FOR NOTICE:

U. S. Securities and Exchange Commission
Attn: Bankruptcy Counsel
444 South Flower Street, Suite 900
Los Angeles, CA 90071-9591

Amex Merchant Processing Account
PO BOX 299051
Ft Lauderdale, FL 33329

Attorney General
United States Department of Justice
Ben Franklin Station
P. O. Box 683
Washington, DC 20044

AMM Recovery
2114 Main Street Suite 100-167
Vancouver, WA 98661

Arizona Dept of Economic Security
PO BOX 6028
Phoenix, AZ 85005

Civil Process Clerk
United States Attorney's Office
Federal Building, Room 7516
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Corpus Christi, TX 78401

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Hunter Business Center (DE) LLC
c/o Oxford Properties
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c/o Nearhood Law Offices, PLC 2,
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Scottsdale, AZ 85250

JFRCO, LLC
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Yelp
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3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL
(state method for each person or entity served):

-Debtor's principal via email

-Counsel for Harper via email: Leib.Lerner@alston.com

-U.S. Trustee analyst via email: "Sorensen, Marilyn (USTP)" <Marilyn.Sorensen@usdoj.gov>